

GOED Board Meeting Minutes

June 13, 2013 • 10:00 a.m.

Governor's Office of Economic Development
60 E. South Temple, Third Floor

Members Present:	Mel Lavitt, Jerry Oldroyd, Stefanie Bevans, Jake Boyer, Peter Mouskondis, Cliff White, Mike Dowse, Winston Wilkinson, Lorena Riffo-Jensen,
Staff:	Spencer P. Eccles, Sophia DiCaro, Christopher M. Conabee, Michael Sullivan, Nicole Kunzler, Riley Cutler, Fred Lange, Bill Colbert, Zach Derr, Eric Nay, Mitchell Cox, Brock Griffin,
Visitors:	Bill Loos, Todd Brightwell, Marshall Moore, Mimi Davis-Taylor, Bryce Wallace, Beth Colosimo, Kelliegh Cole, Carson Howell, Les Perdew, Oz Balfour, Justin Powell, Mark Newman, Craig Gygi

Welcome

Mel Lavitt welcomed everyone to the June 13, 2013 Board meeting.

Jake Boyer moved to approval the May 8, 2013 and June 5, 2013 minutes

MOTION: Jake Boyer moved to approve the minutes of May 3, 2013 and June 13, 2013 GOED Board Meeting minutes. Lorena Riffo-Jensen seconded the motion. Motion was carried unanimously.

EDTIF – HireVue

Project Highlights

- Timeline: 2013
- Target Industry: Enterprise & Software Development
- Proposed Location: Salt Lake County
- Capital Investment: \$30 million

Jobs and Revenue

- 540 FTE's
- HireVue provides all full time permanent employees with comprehensive health benefits and retirement benefits
- New State Wages over 7 years: \$ 172,876,212
- New State Revenue over 7 years: \$ 10,090,489

MOTION: Jerry Oldroyd moved to approve for HireVue a \$1,513,573 EDTIF post-performance refundable tax credit which represents an amount equal to 15% of new state revenue for 7 years. Stefanie Bevans seconded the motion. Motion was carried unanimously.

- Total EDTIF incentive not to exceed \$ 1,513,573 EDTIF post-performance refundable tax credit.
- Annual EDTIF incentive amount based on 15% of qualified new incremental state tax revenues generated and receipted in the previous calendar year.
- Total incentive not to exceed 15 % & of qualified new incremental state tax revenues over 7 years with a contractual recapture provision for any excess funds paid to the company.
- Must meet new qualified employment projections, employee headcount at the stated wage % criteria at 50% for each project year.
- Annual total project average salary of new employees (not each new position, this is an aggregate annual number) to be at least 125 % of the Salt Lake County average wage including company contributed health insurance.
- Must commit to keep operation in Utah for the length of the incentive period, 7 years.
- Incentives are site specific and subject to local incentive participation.
- Local incentive proposal must be presented and approved by the GOED Incentives Committee in order for company to be eligible for the incentive.
- Only new state revenue and new jobs created after the GOED Board final approval date are eligible for this incentive.

Mark Newman of HireVue discussed the opportunity of continuing to grow the company in Utah. Discussed the workforce in Utah and how that effects companies growing, leaving, and returning to Utah, specifically in the realm of engineering.

EDTIF – MasterControl

Project Highlights

- Timeline: 2013
- Target Industry: Software Development & IT
- Salt Lake County
- Capital Investment: \$15 million

Jobs and Revenue

- 197 FTE's
- MasterControl provides all full time permanent employees with comprehensive health benefits and retirement benefits
- New State Wages over 5 years: \$ 54,120,978
- New State Revenue over 5 years: \$ 4,180,294

MOTION: Jerry Oldroyd moved to approve for MasterControl Inc. an \$836,059 EDTIF post-performance refundable tax credit which represents an amount equal to 20% of new state revenue for 5 years. Peter Mouskondis seconded the motion. Motion was carried unanimously.

- Total EDTIF incentive not to exceed \$ 836,059 EDTIF post-performance refundable tax credit.
- Annual EDTIF incentive amount based on 20% of qualified new incremental state tax revenues generated and receipted in the previous calendar year.
- Incentives are site specific and subject to local incentive participation.
- Local incentive proposal must be presented and approved by the GOED Incentives Committee in order for company to be eligible for the incentive.
- Only new state revenue and new jobs created after the GOED Board final approval date are eligible for this incentive.
- Total incentive not to exceed 20 % & of qualified new incremental state tax revenues over 5 years with a contractual recapture provision for any excess funds paid to the company.
- Must meet new qualified employment projections, employee headcount at the stated wage % criteria at 50% for each project year.
- Annual total project average salary of new employees (not each new position, this is an aggregate annual number) to be at least 125 % of the Salt Lake County average wage including company contributed health insurance.
- Must commit to keep operation in Utah for the length of the incentive period, 5 years
- Incentives are site specific and subject to local incentive participation.
- Local incentive proposal must be presented and approved by the GOED Incentives Committee in order for company to be eligible for the incentive.
- Only new state revenue and new jobs created after the GOED Board final approval date are eligible for this incentive.

Craig Gygi of MasterControl discussed the use of the software in medical and laboratory industries.
Discussed recruitment from local universities for developers.

ED Zone – Fireeye, Inc.

Establish an Economic Development Zone for the purpose of supporting the establishment of Fireeye, Inc. in Draper, Utah.

MOTION: Jerry Oldroyd moved to approve the creation of an Economic Development Zone for Draper City in support of their letter of request detailing the boundaries of Fireeye facilities located at 147 West Election Road, Suite 110 in Draper, Utah. Mike Dowse seconded the motion. Motion passed unanimously.

ED Zone – 1-800 Contacts, Inc.

Establish an Economic Development Zone for the purpose of supporting the expansion of 1-800 Contacts, Inc. in Draper, Utah.

MOTION: Jerry Oldroyd motioned to approve the creation of an Economic Development Zone for Draper City in support of their letter of request detailing the boundaries of 1-800-Contacts facilities located at 66 East Wadsworth Park Drive in Draper, Utah. Mike Dowse seconded the motion. Motion was carried unanimously.

MPIF – “Saints and Soldiers”

Project Highlights

- Category: Feature Film
- Genre: Action
- Director: Ryan Little
- Producer: Adam Abel, Ryan Little

Utah Jobs and Revenue

- Estimated Cast: 40
- Estimated Cast Average Salary: \$250/day
- Estimated Crew: 15
- Estimated Crew Average Salary: \$250/day
- Estimated Extras: 80
- Estimated Extras Average Salary: \$100/day
- Length of Film Production: 20 days
- Estimated Spend: \$600,000

Project Schedule

- Prep: June 1, 2013 – July 31, 2013
- Principal Photography: August 1, 2013 – August 24, 2013
- Wrap: August 26, 2013– August 31, 2013
- Post Production: September 1, 2013- December 31, 2013

Motion Picture Advisory Committee Recommendation

Approved by the Motion Picture Advisory Committee (MPAC) June 6, 2013

MOTION: Jerry Oldroyd moved to approve for SAS3, LLC a \$90,000 MPIP post-performance cash incentive which represents 15% of dollars left in state for the production of ‘Saints and Soldiers 3.’

Lorena Riffo-Jensen seconded the motion. Motion was carried unanimously.

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing.
- Must meet \$200,000 minimum dollars left in state to be eligible for the incentive.
- At least 85% of the productions cast/crew must be Utah Residents and/or Utah Students.

MPIF – “The Better Half”

Project Highlights

- Category: Feature Film
- Genre: Drama
- Director: Michael Winnick
- Producer: Shay Roehm, Sylvia Caminer

Utah Jobs and Revenue

- Estimated Cast: 29
- Estimated Cast Average Salary: \$859/day
- Estimated Crew: 76
- Estimated Crew Average Salary: \$250/day
- Estimated Extras: 325
- Estimated Extras Average Salary: \$115/day
- Length of Film Production: 27 days
- Estimated Spend: \$2.158 million

Project Schedule

- Prep: June 10, 2013 – July 12, 2013
- Principal Photography: July 13, 2013 – August 12, 2013
- Wrap: August 13– August 23, 2013

Motion Picture Advisory Committee Recommendation

Approved by the Motion Picture Advisory Committee (MPAC) June 6, 2013

MOTION: Jerry Oldroyd moved to approve for The Better Half Production Company, LLC a Motion Picture Incentive Program post-performance tax credit of no less than \$431,600 (which represents 20% of dollars left in state) and up to \$539,500 (which represents 25% of the dollars left in state) for the production of “The Better Half.” Jake Boyer seconded the motion. Motion was carried unanimously.

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing
- Must meet \$1,000,000 minimum dollars left in state to be eligible for the incentive
- Dollars left in state start date no earlier than 30 days prior to the Governor’s Office of Economic Development Board of Directors approval
- The Better Half Production Company, LLC may be eligible for an additional 5% incentive upon verification of meeting the criteria as adopted by the GOED Board and administered by the Governor’s Office of Economic Development and the Utah Film Commission. Total incentive with this condition, if all terms are met to the satisfaction of the Utah Film Commission, shall not exceed \$539,500 (25% of the dollars left in state).

MPIF – “Saffire”

Project Highlights

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| • Category: | T.V. Series |
| • Genre: | Animation/Fantasy |
| • Director | N/A |
| • Producer: | Les Perdew |

Utah Jobs and Revenue

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|------------------------------------|-------------|
| • Estimated Cast: | 7 |
| • Estimated Cast Average Salary: | \$400/day |
| • Estimated Crew: | 26 |
| • Estimated Crew Average Salary: | \$200/day |
| • Estimated Extras: | 0 |
| • Estimated Extras Average Salary: | N/A |
| • Length of Film Production: | 115 days |
| • Estimated Spend: | \$3,680,045 |

Project Schedule

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| • Prep: | May 20, 2013 – July 19, 2013 |
| • Principal Photography: | September 1, 2013 – December 20, 2013 |
| • Wrap: | July 22, 2013 – May 9, 2014 |
| • Post Production: | May 12, 2014 – May 23, 2014 |

Motion Picture Advisory Committee Recommendation

Approved by the Motion Picture Advisory Committee (MPAC) June 6, 2013

MOTION: Amy Anderson moved to approve for Kratos Management Services, LLC a Motion Picture Incentive Program post-performance tax credit of no less than \$736,009 (which represents 20% of dollars left in state) and up to \$920,011 (which represents 25% of the dollars left in state) for the production of “Saffire.” Sam Granato seconded the motion. Motion was carried unanimously.

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing
- Must meet \$1,000,000 minimum dollars left in state to be eligible for the incentive
- Dollars left in state start date no earlier than 30 days prior to the Governor’s Office of Economic Development Board of Directors approval
- Kratos Management Services, LLC may be eligible for an additional 5% incentive upon verification of meeting the criteria as adopted by the GOED Board and administered by the Governor’s Office of Economic Development and the Utah Film Commission. Total incentive with this condition, if all terms

are met to the satisfaction of the Utah Film Commission, shall not exceed \$920,011(25% of the dollars left in state).

RECOMMENDATION: Adjusting One Class, LLC Motion

On May 10, 2012 the GOED Board approved for One Class, LLC a post-performance tax credit of no less than \$297,452.20 (which represents 20% of dollars left in state) and up to \$371,815.25 (which represents 25% of the dollars left in state) for the production of ‘The Gettysburg Project’. The film ‘The Gettysburg Project’ began production last year and will begin filming in June of 2013. An updated budget shows a total Utah spend of \$565,253.00. Additionally, when One Class, LLC was originally awarded the incentive, they did so under the company name One Class, LLC. All of the assets and the name of One Class, LLC have been acquired by Gradual Elevate Media, Inc.

Motion: Jerry Oldroyd motioned to adjust for One Class, LLC “The Gettysburg Project” post-performance tax credit incentive from no less than \$297,452.20 (which represents 20% of dollars left in state) and up to \$371,815.25 (which represents 25% of the dollars left in state) to \$84,788.00, which represents 15% of dollars left in state. Additionally, adjust the award of the incentive from One Class, LLC to Gradual Elevate Media, Inc. reflecting the acquisition of One Class, LLC. Stefanie Bevans seconded the motion. Motion passed unanimously.

GOED Update

Sophia DiCaro gave the GOED update and briefly discussed the rural aspect of GOED and what was being done in that arena. She also recognized the Corporate Recruitment and Business Services team for receiving the Governor’s award for excellence. Vincent Mikolay and Christopher Conabee discussed how the environment in Utah can be kept healthy based on the clusters that are being developed. Discussed organizational changes that will be coming to GOED.

EDCU Update

Todd Brightwell, Vice President of Business Development at EDCUtah, presented on the status of current and upcoming projects in the pipeline. He spoke on the increase of the number of projects that EDCU is seeing in all industries.

Presentation by Oz Balfour

Oz Balfour gave information about the Diverse News Information Network and some events that they have been participating in.

Meeting adjourned.